



MEMORANDUM

To: Mayor and Members of the City Council

From : Rich Olson, City Manager
Deborah Malenfant, Elizabeth City Downtown, Inc.

Date: June 6, 2018

Re: Authorize Ghost Harbor Brewing to be a Vendor at the Downtown Waterfront Market to Sell and Serve Alcohol.

BACKGROUND:

I have received a request from Councilman Horton to have this item placed back on the agenda due to additional information that warrants subsequent consideration.

The Downtown Waterfront Market operates on City property under the umbrella of the Elizabeth City-Pasquotank Parks & Recreation Department and celebrated its tenth (10th) anniversary with its opening day on May 5th. This year, the market coordinator has partnered with the Pasquotank County Agricultural Extension Office, the Elizabeth City Pasquotank Economic Development Commission, Elizabeth City Downtown, Inc., Albemarle Regional Health Services and other area organizations to brainstorm ideas and share resources to make it even bigger and better for our community. Approved market vendors must sell hand or homemade products "of non-commercial origin."

The 2018 market operates on Saturday mornings at Mariners' Wharf Park from 9:00 am until 1:00 pm from May through October, with the exception of N.C. Potato Festival Weekend, ECSU Homecoming Weekend, and weekends with bad weather.

Ghost Harbor Brewing Company would like to have a booth at the Downtown Waterfront Market whereby they sell their crafted beer and wine-based drinks. This request is in partnership with Elizabeth City Downtown, Inc. a 501(c)3 entity. Under Section 130.02 of the City's Code of Ordinances, the City Council has granted the City Manager the authority to approve the consumption of alcohol on City property, subject to review by City Council. Due to the multiple dates requested, I submitted the item for Council's review at its May 29th meeting. That request was denied due to concerns about timeframe and other issues. Staff has researched those concerns and would like to provide subsequent information and data to support an updated request to Council.

ANALYSIS:

Ghost Harbor Brewing Company is a locally-owned business in downtown Elizabeth City, operating in the newly rejuvenated Pailin's Alley. It is Elizabeth City's first micro-brewery. Between the development and restoration of the property and the startup of the brewery business, over \$200,000 in private funding has been invested, utilizing mostly local contractors. The restoration project was a recipient of one of the City's Downtown Improvement Grants.

Ghost Harbor has created two new full-time jobs and three part-time jobs for our community. They are pro-active partners with other downtown businesses and organizations, working for the success of all. They partnered with and contributed to Elizabeth City State University's first Progressive Dinner project that brought together ECSU faculty, staff, and alumni with Elizabeth City community members to support independent businesses and raise money for the ECSU Foundation. They partnered with the Elizabeth City Area Convention & Visitors Bureau and Arts of the Albemarle for the recent Brew-Ha-Ha event that sent almost 80 participants to businesses throughout downtown and raised money. They partnered with Albemarle Area United Way on their recent Bocce Ball event, donating \$2400 worth of product for the event. They have partnered with the ReachNC organization to promote higher education assistance programs.

Market attendance by shoppers and by vendors has been on a downward trend over the last several years. The partnerships mentioned above are proving to be positive partnerships to date, with increased vendor participation and shoppers at the first few markets. The number of vendors each week at the market last year during the first six-weeks of operation ranged from 15-19; this year's vendor attendance has ranged from 15-25 each week (4 weeks of more than 20), and it is trending upward. Each vendor pays \$20.00 weekly to participate in the market. The goal is to increase vendor participation to a consistent level of 30 each week, resulting in \$600.00 of revenue weekly to the City to offset the cost of operating the market.

Ghost Harbor Brewing Company participated in the market on Saturday, May 26th. The feedback from visitors to the market, as well as from vendors was overwhelmingly positive. It was felt that more people came to the market due to the additional activities, to include Ghost Harbor's Beer Garden and cornhole area. More people coming to the market increases revenue for all vendors. With the exception of non-profit participation, each vendor at the market is an entrepreneurial venture and independent small business. Increased sales to these small business owners helps to support them and also increases local sales tax revenue.

On May 26th, Ghost Harbor had approximately \$400.00 in revenue, resulting in additional sales tax revenue. They paid \$60.00 to the City for wrist bands and a

\$20.00 vendor fee. If allowed to be a vendor for the remainder of the season, it is estimated that they will generate an additional \$706.00 in sales tax revenue, an additional \$1,200 in revenue for the City via purchase of wrist bands, and \$420.00 in vendor fee revenue for Parks & Recreation Department. It is difficult to project the additional sales tax revenue generated by added spending with other market vendors, as well as to the other businesses in the downtown area, but it's projected to have a positive impact.

As with the previous request, if approved, Ghost Harbor will operate in a secured area of approximately 24' x 45' in diameter. The area will be located behind the regular vendor area (shown on the attached map). Ghost Harbor Brewing Company will sell beer, wine-based drinks, along with water in this area. They will offer an area large enough to accommodate seating and will coordinate family-oriented activities such as cornhole. The area will be secured by Ghost Harbor Brewing, and it will operate under their alcohol license, from the hours of 10:00 am until approximately 1:00 pm; however they may adjust operating hours to 2:00 pm, depending upon attendance.

Thomas and Tabitha Reese, owners of Ghost Harbor Brewing Company, have demonstrated their professionalism in the serving and selling of alcohol via their existing downtown business located in Pailin's Alley. Their business is a family-oriented business already, and their presence at the market will be the same. They know the Alcohol Beverage Control rules and understand the rules and regulations of the City with regard to alcohol service on public property. They intend to purchase wrist bands from the City at the designated price for anyone consuming alcohol within the confines of their secured area. It will be properly monitored and secured at all times. They will work directly with Danielle Toupin, market coordinator, each week and ECDI will be a partner and a resource. They will be considered a market vendor, just as other market vendors, and will be required to abide by all the rules and regulations of the Downtown Waterfront Market for vendors. They will comply with the City's Code of Ordinances and Guidelines regarding the Consumption of Alcoholic Beverages in Public Places.

Pursuant to Ordinance #5101, the City Manager has conferred with Chief Buffalo on this matter.

STAFF RECOMMENDATION:

By motion, allow for Ghost Harbor Brewing to be a vendor at the Downtown Waterfront Market for the remainder of the 2018 season and serve and sell their crafted beers and wine drinks on public property from 10:00 am until 2:00 pm, contingent upon compliance with all Alcohol Beverage Control rules and regulations, as well as compliance with the City's Code of Ordinances and Guidelines regarding the Consumption of Alcoholic Beverages in Public Places.

Attachments:

Layout – Alcohol at DWM

5.26.2018 floor plan

